

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce Department – Proposal of M/s. ArcelorMittal Nippon Steel India Limited (AMNSI) for setting up of new 17.8 MTPA integrated steel plant in 2 phases (7.3 MTPA in first phase & 10.5 MTPA in Phase-II) at Rajayapeta(V), D.L. Puram and Vempadu (V), Buchirajupeta(V), Chandanada(V) of Nakkapalli (M), Anakapalli District – Extension of tailormade incentives and certain facilitation as per the AP Industrial Development Policy (4.0) 2024-29 – Orders - Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 76

Dated: 26-11-2024
Read the following:

1. From M/s. ArcelorMittal Nippon Steel India letters, Dt:18.10.2024, 21.10.2024 and 28.10.2024.
2. Minutes of the State Investment Promotion Committee meeting held on 16.11.2024.
3. Minutes of the State Investment Promotion Board meeting held on 19.11.2024.

ORDER:

In the 1st reference read above, M/s. ArcelorMittal Nippon Steel India Limited have proposed to install a new 17.8 MTPA integrated steel plant in 2 phases (7.3 MTPA in first phase & 10.5 MTPA in Phase-II) at Rajayapetta(V), D.L. Puram and Vempadu (V) , Buchirajupeta(V), Chandanada(V) of Nakkapalli (M), Anakapalli Dist, Andhra Pradesh. The Phase-wise project details are as tabulated:

Specifications	Phase - I	Phase – II
Capacity	7.3 MMPTA	10.5 MMPTA
Land requirement for plant	~2,200 Acres	~ 3,800 Acres
Land requirement (Township)	440 Acres	-
Investment	INR 55,964 Cr	~ Rs 80,000 Cr
Employment generation	20,000 Nos	35,000 Nos

Timeline for completion	Jan 2029	2033
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2. In addition to the above, the ArcelorMittal Nippon Steel India is also proposed to set up a captive port for vessels, material handling systems and back up areas.

Specifications	Phase 1	Phase 2
Bulk Berth	2 in Nos.	4 in Nos.
Multipurpose Berth	3 in Nos.	6 in Nos.
Energy Berth	-	2 in Nos.
Capacity	20.5 MMTPA	28.99 MMTPA
Land (Reclaimed)	148.26 acre	Additional 168.03 acre
Investment	INR 5,816 Cr	INR 5,382 Cr
Employment Generation	1,000	5,000
Proposed Completion	Jan 2029	2033

3. Accordingly, M/s. ArcelorMittal Nippon Steel India Limited (AMNSI) has requested for provision of lands and critical inputs such as Road, Power, Water and certain facilitations for ensuring the expeditious implementations of the Project and the asks are given at Annexure-I.

4. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 19.11.2024 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 16.11.2024. The SIPB after detailed discussion, has recommended to place their recommendations to extend certain special package of incentives to M/s. ArcelorMittal Nippon Steel India for setting up of new 17.8 MTPA integrated steel plant in 2 phases (7.3 MTPA in first phase & 10.5 MTPA later) at Rajayapeta(V), D.L. Puram and Vempadu (V), Buchirajupeta(V), Chandanada(V) of Nakkapalli (M), Anakapalli District.

5. Government, after careful consideration of the decision of the State Investment Promotion Board, hereby accord administrative sanction to the following special package of incentives to M/s. ArcelorMittal Nippon Steel

India for setting up of integrated Steel Plant of 17.8 MTPA capacity in 2 Phases (7.3 MTPA in first phase & 10.5 MTPA in Phase-II). The incentives shall be made applicable subject to company adhering to the definite time lines for implementation of the project and investment and employment commitment from the company as per the DPR submitted and subject to certain conditions.

1. Allotment of about 2,200 acres of lands, @ Rs.51,39,690 per acre for Phase-I of the project, subject to verification by the Department that the land requirement is as per steel plant norms. The recommendation of SIPC of the proposal of the Department to transfer about 700 Acres of lands, falling within the Bulk Drug Park to AMNSI, after approval of the GOI, duly identifying and allocating about 710 acres of alternate lands to Bulk Drug Park project is also agreed. It is to note that this 700 acres of lands is part of the total 2,200 acres of lands allotted under Phase-I.
 2. Approval to APIIC to proceed for acquiring 440 acres of lands for township under LA for Others
 3. In-Principle approval to APIIC to proceed for acquiring second phase lands under LA for Others subject to progress of Phase-I of the project to G4/G3 as per timelines.
 4. In-principle approval for land allocation for Captive Port by the Department concerned, as per captive port norms, subject to progress of Phase-I of the project to R1/G4/G3 norms.
 5. Departments concerned to facilitate for the inputs such as Power, Water, Rail and Road connectivity, usage of nearby quarries and tripartite MoU with NMDC as per the requirements and the rules, as per the request of the AMNSI given at Annexure.
 6. Approval 50% of eligible FCI of Phase-I Investment, as Incentives to attract this mega investment in the State of AP, under the Tailormade incentives or customized incentives of the AP Industrial Development Policy, 4.0 (2024-29) as given below, under the broad categories of:
 - a. Exemption of Stamp Duty and Registration Fees
 - b. Supply of Industrial Water @ INR 50 per KL for 10 years,
 - c. Exemption of ED for 15 years,
 - d. Reimbursement of 100% Net SGST during construction and Sales for 15 years,
 - e. Reimbursement of Power @ INR 1 per unit for 15 years and
 - f. Provision of capital subsidy
6. The Special Chief Secretary/Principal Secretary/Secretary of the concerned departments such as Power, Water Resources Department, Roads and Buildings, Infrastructure and Investment, Industry and Commerce (CIP), Industry and Commerce (Mines), Revenue (Land, Registration and

Stamps), Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the mega project.

7. The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line departments.

8. As envisaged under the AP Industrial Development Policy (4.0) 2024-29 the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this mega project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

9. The Director of Industries should ensure that the PMU with the Department monitors the progress of the mega project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.

The Director of Industries, A.P., Mangalagiri.

M/s. ArcelorMittal Nippon Steel India.

The Special CS / Principal Secretary / Secretary of the concerned departments viz

The Revenue (Land, Registration and Stamps) Department

The Finance Department

The PR&RD Department,

The MA&UD Department,

The EFS&T Department,

The Energy Department

The Water Resources Department,

The Roads and Buildings Department

The Infrastructure and Investment Department

The Industry and Commerce (CIP) Department
The Industry and Commerce (Mines) Department
And other departments concerned
The Collector & District Magistrate, Anakapalli District., Anakapalli District.

Copy to:

The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (LA) Department.
The Revenue (Registration) Department
The Law (H) Department
The Accountant General, Andhra Pradesh.
P.S. to Additional Secretary to Chief Minister.
P.S. to Hon'ble Minister (Ind. &Comm.&FP).
P.S. to Chief Secretary of GoAP.
P.S. to Secretary to Government & CIP, Industries& Commerce Department.
The G.A. (Cabinet.I) Department.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure – Requests from M/s. ArcelorMittal Nippon Steel India Limited for provision of lands and critical inputs such as Road, Power, Water and certain facilitations for ensuring the expeditious implementation of the Project

A.	Land related requests	1. Allotment of 2,200-acre land on fair price basis for 7.3 MTPA Integrated Steel Plant – Phase 1 in Anakapalli District 2. Acquisition of ~3,800-acre land for Phase 2 – 10.5 MTPA ISP 440 acres for township in Phase 1 3. Captive port - 3,000 meters waterfront adjacent to the ISP site, for housing captive port subserving both the phases of the ISP. 4. Government's approval solicited for declaration of port limits under the Ports Act, 1908.
B.	Request for Critical Inputs	1. Power - 400-765 kV substation in neighborhood of the plant for supply of 625 MW for Phase-1 (7.3 MTPA ISP) 2. Water - 6600 m³/hour supply from Polavaram during construction and operation of the plant, port and township 3. Gas - RoW for connectivity to nearest GAIL station 4. Iron Ore - RoW of ~42 kms for 12 MTPA (Phase 1) and 16 MTPA(Phase 2) through slurry pipeline
C.	Request for external Infrastructure	1. Road Connectivity - Exclusive 4-lane road connectivity from NH-16 to the proposed land parcel 2. Rail Connectivity - Acquisition of land and Right of Way for rail connectivity from Howrah-Chennai Broad Gauge rail line at Gullipadu to the site
D.	Additional Requests	1. Permission to grant usage of nearby quarries - Permission sought to use nearby quarries for securing rocks and boulders for making breakwater for the captive port.

		2. Tripartite Agreement/MoU - MoU involving NMDC, AMNS and APIIC for the supply of Iron Ore through the environment friendly slurry pipeline at Rajayyapeta.
E.	Financial Incentives	1. Power Subsidy - Exemption of charges such as FPPCA charge, Grid Support, Demand Charge, levies, cross subsidy surcharge, special peak usage charges etc. for ISP for a period of 25 years from the date of commencement of commercial production. 2. Electricity Duty - Exemption from electricity duty for 25 years from the date of commercial production for supply by Government of Andhra Pradesh and captive power consumption 3. Capital Subsidy - Capital Subsidy @ 20% of FCI payable in 10 years 4. SGST Reimbursement - 100% reimbursement of SGST for 25 years from DCP & 100% reimbursement of SGST on Capex 5. Water Subsidy - Water Supply at 50% of the charges for commercial entities for a period of 10 years . These incentives are requested to be made available for water tanker, groundwater, bore well supply as and when applicable 6. Decarbonization subsidy - Decarbonization subsidy at 2% of Fixed Capital Investment for a period of 10 years 7. Stamp Duty & Registration charges - Full waiver of stamp duty and registration charges for any land purchased for the Integrated Steel Plant

N YUVARAJ
SECRETARY TO GOVERNMENT & CIP